

Sustainability and the Aluminium Stewardship Initiative

October 2015

By Roland Dubois

Rio Tinto , founding member of ASI

asi Aluminium
Stewardship
Initiative

Rio Tinto : mining the future

Rio Tinto's business is **finding, mining, and processing** mineral resources. Activities span the world and are strongly represented in Australia and North America with significant businesses in Asia, Europe, Africa and South America.



Aluminium

Leading position in:

- bauxite
- alumina
- aluminium

13 BUS\$



Copper and Coal

Leading position in:

- copper

10 BUS\$



Diamonds & Minerals

Leading position in:

- titanium dioxide
- diamonds
- Salt
- Uranium

5 BUS\$



Iron Ore

Leading position in:

- seaborne iron ore

26 BUS\$

“Sustainable development is at the heart of everything we do”

Aluminium: The right strategy for each business



Bauxite: 42 Mt

Our access to the largest and best quality bauxite in the world is a real advantage. We are focusing on making the most of our bauxite resources by growing our export business.



Alumina: 8 Mt

On alumina, we will focus on our balanced position, driving operational excellence to provide competitive security of supply to our smelters.



Aluminium: 3,6 Mt

We have Long life low cost expandable Smelters and assets
We focus on Low Co2 sources of energy (80% hydro based) to develop a responsible future
We partner with customers to stay at the forefront of market developments and remain the supplier of choice

Commercial and trading:

These three businesses are supported by a single global commercial organisation focused on maximising value from mine to market, while consistently providing innovative solutions to customers.

Aluminium Stewardship Initiative (ASI)

ASI is working with stakeholders to develop an **independent third party certification** program for the aluminium value chain.

The aim is to encourage and recognise responsible production, sourcing and stewardship of aluminium.

This standard will address environmental, social and governance aspects.



Material
stewardship



Responsible
sourcing



Sustainability

Growth of standards for metals and extractives

3TG Due Diligence



+ Sustainability / CSR



Energy



ASI – a brief history

- 2009 Multi-stakeholder group on ‘responsible aluminium’
- 2010 Report from Track Record recommending third-party certification system
- 2011 Agreement to develop ASI work program
- 2012 IUCN appointed as co-ordinator for ASI standards-setting process
- 2014 ASI Performance Standard launched
- 2015 ASI Executive Director appointed and ASI incorporated



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ASI participants

Member organisations:

- Aleris
- AMAG/Constantia Flexibles
- AMCOR Flexibles
- Audi
- Ball Corporation
- BMW Group
- Coca-Cola Enterprises
- Constellium
- Jaguar Land Rover
- Hydro
- IUCN
- IGORA
- Nestlé Nespresso SA
- Novelis
- Regain Materials
- Rexam
- Rio Tinto Alcan
- Schueco
- Tetra Pak

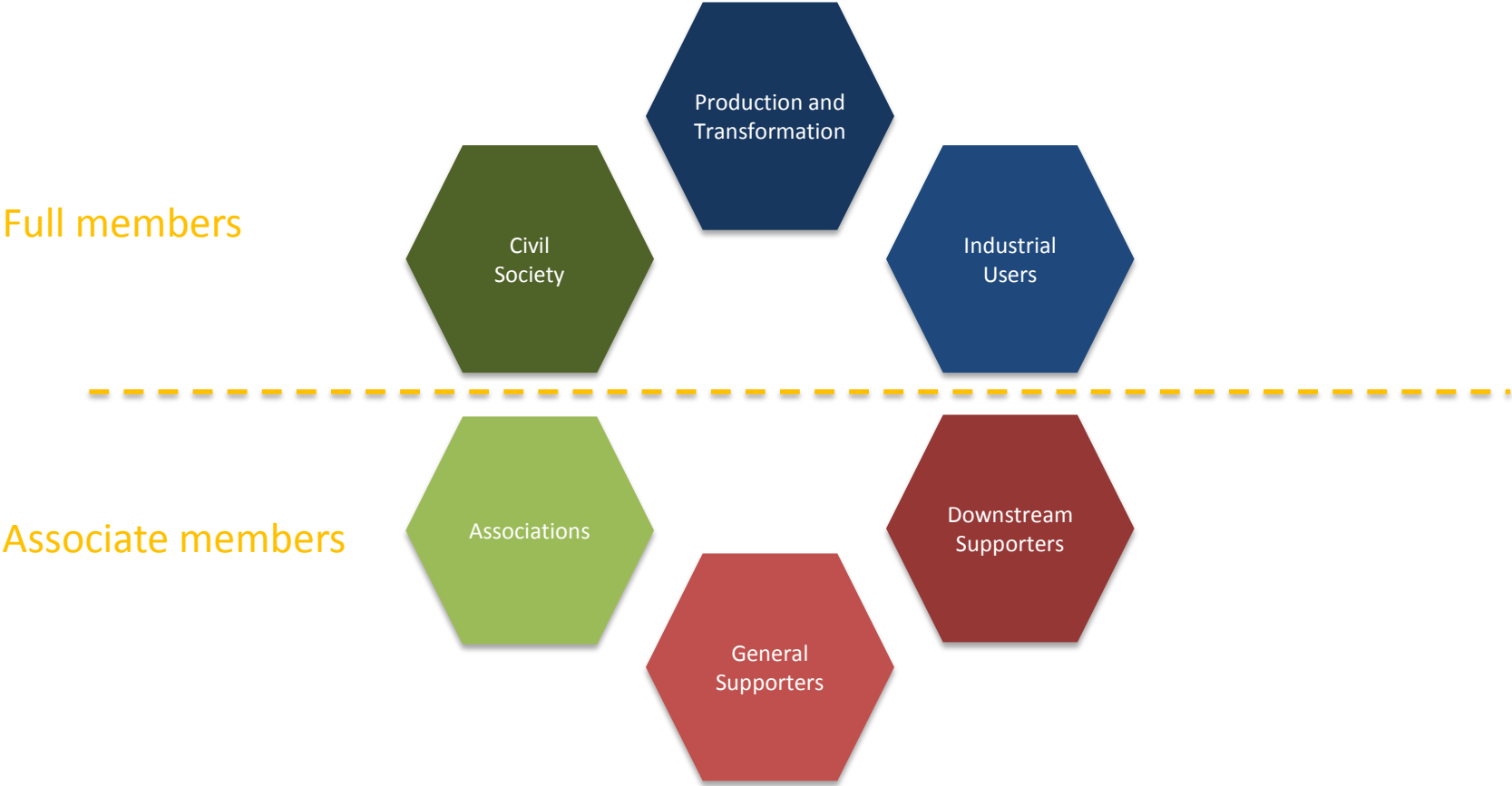
Stakeholders in Standards Setting Group (SSG)

- As You Sow
- CII - Godrej Green Business Centre, India
- Cleaner Production Centre South Africa
- Ecofys
- EMPA – Materials Science and Technology
- Fauna Flora International
- Forest Peoples Programme
- Fundacion Para la Promocion de Conocimientos Indigenas / Asociacion Indigena Ambiental en Panama
- IGORA
- IndustriALL Global Union
- IUCN
- Transformando Conflictos Partners El Salvador
- Transparency International
- WWF

Setting up a sustainability standards system



ASI Membership classes – full and associate



ASI Performance Standard - structure

Governance

1. Business Integrity
2. Policy and Management
3. Transparency
4. Material Stewardship

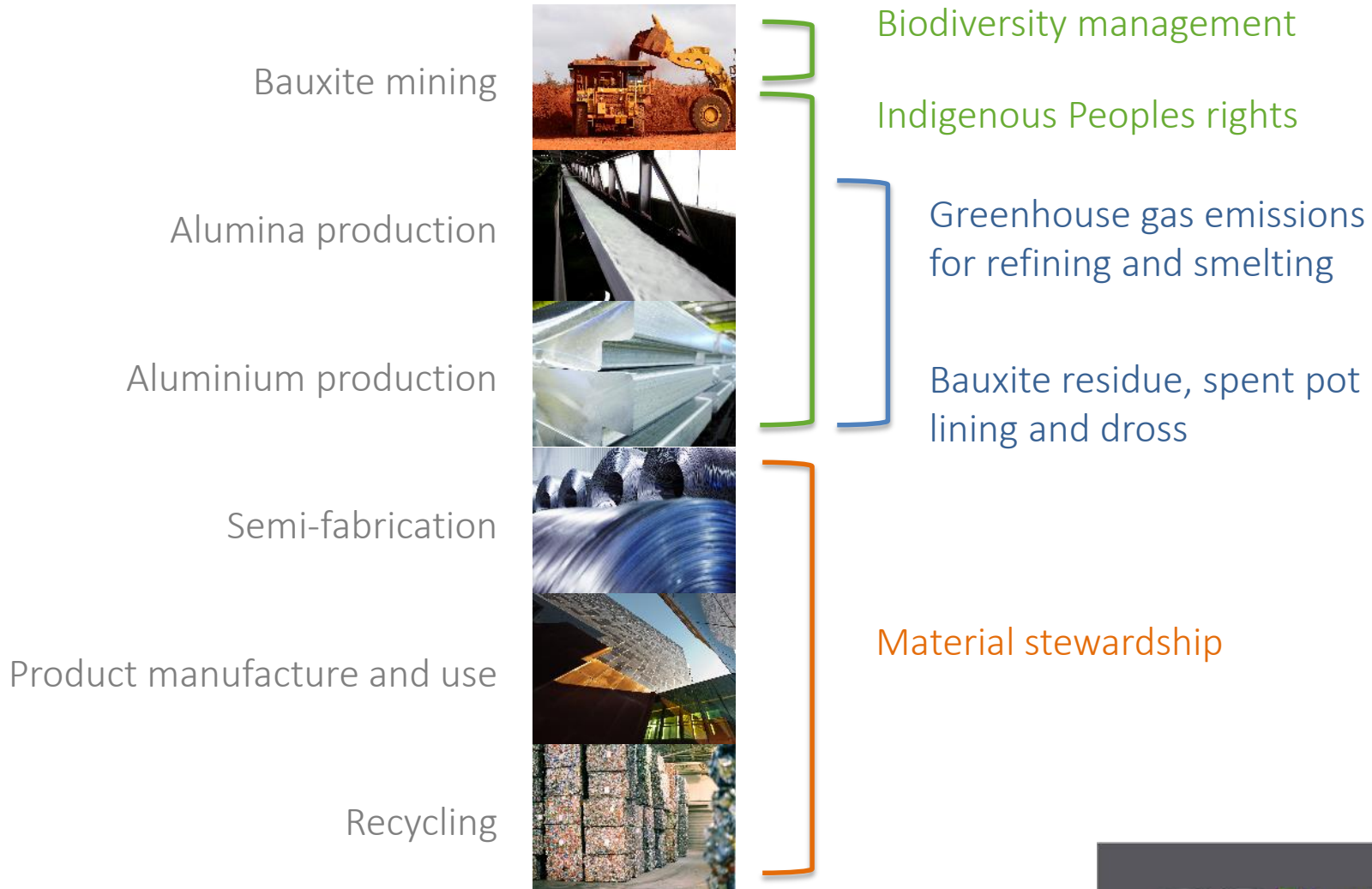
Environment

5. Greenhouse Gas Emissions
6. Emissions, Effluents and Waste
7. Water
8. Biodiversity

Social

9. Human Rights
10. Labour Rights
11. Occupational Health and Safety

Priority issues for ASI standards



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ASI Chain of Custody Standard

- A Chain of Custody Standard is also being developed that can be used as a responsible sourcing tool for aluminium
- A mass-balance model is being proposed, which can be applied at the company and/or facility level
- Will accommodate both primary and secondary sources
- Further work to be undertaken in 2015-2016, alongside development of the ASI assurance model



Assurance model – design approach

1. **Costs of certification need to be minimised** to ensure ASI is accessible through the value chain.
2. **Third-party assurance is central**, with company self-assessment as a foundation for this framework.
3. **A risk-based or materiality approach** to auditing and sampling evidence is essential for efficiency and can tie to desired impacts.
4. **Harmonisation and cross-recognition** of parallel standards and systems of controls will reduce unnecessary duplication in ASI assessments.
5. **Online management of assessment data** will reduce direct and indirect costs of the assurance process and can enable a tailored materiality approach.

Benefits of participating in ASI

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- Network with a wide range of stakeholders in a constructive dialogue about sustainability and responsible sourcing of aluminium
- Contribute to the development of a credible third-party certification program for the aluminium value chain
- Help shape the development of tools and resources that support implementation
- Be recognized as a proactive leader and leverage company and supply chain good practices



Key milestones to ASI certification platform

2015 – General frameworks

- Develop governance and business model
- Develop proposed assurance model
- Further work on CoC standard
- Stakeholder outreach

2016 – Implementation model

- Develop online assessment platform
- Develop monitoring and evaluation framework
- Broad stakeholder consultation on CoC standard
- Implement auditor accreditation process
- Pilot testing of standards and assurance model
- Market and regional engagement

2017 – Operation

- Finalisation of all normative documents
- Mid-late 2017: ASI Certification begins operation

Why Rio Tinto joined the ASI



- **Rio Tinto is one of the founding members of ASI**
- Reputational risks for primary aluminium
- Sustainability was a behaviour of the Aluminium product group of Rio Tinto in terms of production, but was not shared with the Market (need to influence value chain)
- We thought it was important for the whole value chain to collaborate on values we believe in as a company: Business ethics, Human rights, Social responsibility and environmental performance
- Setting a certification standard will give credibility of criteria for assessing companies and materials
- Sustainability as a source of differentiation



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Join the ASI mailing list:
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